

# United States Senate

WASHINGTON, DC 20510-1804

June 8, 2007

Attorney General Alberto R. Gonzales  
United States Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530-0001

Dear Attorney General Gonzales:

Today the United States Army Corps of Engineers released a report on an independent investigation into the MVN Outfall Canal Pumps in New Orleans, Louisiana. Allegations were raised in September 2006 that the pumps were faulty and that there were possible improprieties in awarding the contract.

I respectfully request that the United States Department of Justice conduct a full investigation into the charges of potential misconduct and reported irregularities in the contract administration between the Corps of Engineers and Moving Water Industries. Sections III.2.c and III.2.e of the independent Artman Team investigation highlight probable evidence of such misconduct and recommend continued examination of the contracting process. Modifications were made to the original contract with little to no documentation explaining the changes. The Artman Team emphasizes that "any lack of proper documentation leaves the Government open to potential contract claims that would be difficult to defend," reducing the government's ability to seek legal recourse for contracting failures and necessitates intervention from the Department of Justice.

Furthermore, there are concerns regarding the role of Moving Water Industries in the development of the scope of work for the change orders. As stated in the Artman Team report, "Based on a review of the records, it actually appears in certain circumstances as if the contractor himself developed the scope of work for the change order along with the pricing and this was forwarded to the contracting officer to issue a modification as such." The report goes on to say, "The contract files are not consistent with established standard procedures as required per FAR 4.8 in the administration of this contract." These contracting practices are unacceptable and the Army Corps of Engineers needs to be held accountable for any improper actions.

In order to correct the inadequacies revealed by the independent investigation, the report recommends a "further investigation to confirm that required contract documentation does exist," as well as, "further investigation into the improprieties noted." Considering the legal ramifications of this situation, I ask that the Department of Justice conduct these recommended investigations.

The proper functioning of the canal pumps is crucial to the safety and flood protection of New Orleans. In addition to the contracting misdeeds, I find it gravely troubling that the independent report cited 10 instances of catastrophic failure, as well as several other minor failures, of the hydraulic oil pumps. As we enter the 2007 hurricane season, it is imperative that New Orleans be equipped with adequate pumping capability. Due to the severity of the situation, it is necessary for the Department of Justice to further examine the contracting process and hold the Army Corps of Engineers to the highest standards.

Thank you in advance for your attention to this matter. Should you have any questions please contact me or my Projects Director, Paul Rainwater, at (202) 224-0095.

With kindest regards, I am

Sincerely,

  
Mary L. Landrieu  
United State Senator

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